



Rural Delivery

New York State Rural Housing Coalition, Inc.

September, 2014

Bank of America Settlement Announced

On August 21st, the Administration announced an almost \$17 billion global settlement with Bank of America. \$1 billion of the total settlement amount resolves claims arising from allegations of fraud involving certain Federal Housing Administration (FHA)-insured single-family mortgage loans and a failure to perform under its servicing contract with the Government National Mortgage Association (Ginnie Mae). Under the terms of the settlement, Bank of America will pay \$800 million to resolve the claims relating to FHA and \$200 million to Ginnie Mae. The remaining nearly \$16 billion of the total settlement amount resolves fraud claims involving the pooling of residential mortgage backed securities, collateralized debt obligations, and other claims by the United States, along with the States of California, Delaware, Illinois, Maryland, New York, and the Commonwealth of Kentucky, and includes \$7 billion in consumer relief with a focus on borrowers that were in the hardest-hit areas during the housing crisis.

Working with the Department of Justice, HUD's Office of General Counsel, Office of Housing, and Office of the Inspector General worked extensively on the fraud investigation involving FHA-insured single-family mortgage loans

that were underwritten by Bank of America during the period from May 1, 2009, to April 1, 2011. HUD also provided assistance with respect to a breach of contract claim involving Bank of America's role as one of two master servicers for Ginnie Mae's portfolio of defaulted single-family mortgages.

The \$7 billion in consumer relief will focus on areas that were hardest hit during the housing crisis. Consumer relief will take various forms including loan modification for distressed borrowers, including FHA-insured borrowers, and new loans to credit worthy borrowers struggling to get a loan in hardest hit areas, borrowers who lost homes to foreclosure or short sales, and moderate income first-time homebuyers. Bank of America will also make donations to community development funds, legal aid organizations, and housing counseling agencies to assist individuals with foreclosure prevention and to support community reinvestment and neighborhood stabilization. They will also provide financing for affordable rental housing with a focus on family housing in high-cost areas. An independent monitor will be appointed to ensure compliance with the terms of the agreement.

Attorney General Eric Schneiderman notes that the settlement will

funnel \$800 million to New York – \$300 million in cash and at least \$500 million in creditable consumer relief. That includes, for the first time, principal reductions on mortgages insured by the Federal Housing Administration. About 23 percent of all the distressed home loans in the state are FHA-insured, and these represent the largest portion of Bank of America's remaining distressed loan portfolio in New York.

Previous settlements excluded families with these types of loans from getting this badly needed relief, which is why it became a priority to help this neglected segment of New York homeowners. B of A will provide at least \$60 million in first lien principal reductions, including for FHA-insured loans.

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Rural Delivery

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New York State Rural Housing Coalition, Inc.

The Coalition is a non-profit statewide membership organization dedicated to strengthening and revitalizing rural New York by assisting housing and community development providers.

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Rural Delivery is published monthly and delivered electronically to a mailing list of 200 community development professionals and policy makers.

For information on advertising in Rural Delivery and to receive a copy of our advertising rate sheet, please contact the Coalition at:
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Bits and Pieces...

\$1000 In Rent

Yahoo began running a piece during the last week in August on what \$1000 in rent will buy in America. The video shows the square footage that can be purchased in various cities for \$1000. The largest apartment affordable at \$1000 is in Cleveland, where \$1000 will get you 1,470 square feet of space. The most expensive rental market, not surprising, is in New York City, where the same \$1000 in rent will buy you 203 square feet. The analysis was conducted on price per square foot, taken from Zillow.

Vision and Mission Statement Webinar

BoardSource will hold a webinar: Crafting Dynamic Vision and Mission Statements on Tuesday, September 9th from 2:00 – 3:00 PM.

If your vision and mission statements are in need of some spark but you are reluctant to tackle the process of crafting new ones, listen in as two BoardSource certified governance trainers present some practical tools and concepts to use in structuring your board's decisions around these critically important statements.

The cost for BoardSource members is free, nonmembers are \$35. For more information, visit www.boardsource.org/eweb/DynamicPage.aspx?Site=bds2012&WebKey=05713d0e-67cd-4bab-a86f-3d70a5524427.

Notice of Annual Meeting

The annual meeting of the New York State Rural Housing Coalition, Inc. will take place on Wednesday, September 17th, beginning at 12:30 PM at the Lake Ontario Conference Center, 26 East First Street, Oswego, New York. The meeting will take place in conjunction with the closing luncheon of the 35th Annual Affordable Housing and Community Development Conference. The meeting is open to the public.

Federal and U.S. military employees can support the Rural Housing Coalition through the annual Combined Federal Campaign (CFC). If you are a federal government or military employee and would like to donate through the CFC, please enter CFC code #9614 on your pledge card during the next fund drive.

FHA Bans Prepayment Penalty

The Federal Housing Administration (FHA) announced on August 26th that borrowers who prepay their FHA-insured mortgages will not have to make interest payments beyond the date their mortgage is paid in full. FHA's rule, Handling Prepayments: Eliminating Post-Payment Interest Charges, applies for FHA-insured mortgages closed on or after January 21, 2015. This rule explicitly prohibits lenders from charging borrowers post settlement interest, which is broadly defined as a "prepayment penalty" by the Consumer Financial Protection Bureau (CFPB), for all FHA Single Family mortgage products and programs.

In addition, FHA announced a new rule to ensure borrowers have early access to information when making decisions about their FHA mortgages. Effective for FHA-insured Adjustable Rate Mortgages (ARMs) originated on or after January 10, 2015, this rule makes two revisions to FHA's ARM Program.

It requires lenders:

- To provide borrowers of FHA-insured ARMs with at least a

60-day but no more than 120-day advance notice of an adjustment to their monthly payment. FHA currently requires a 25-day advance notice.

- To base an interest rate adjustment that results in a corresponding change to the borrower's monthly payment on the most recent index value available 45 days before the date of the rate adjustment (commonly referred to as a "look back period"). FHA currently requires a 30-day look-back period.

Read FHA's rule: Adjustable Rate Mortgage Notification Requirements and Look-back Period for FHA-insured Single Family Mortgages.

Together, these new rules are responsive to the regulations implementing the Truth-in-Lending Act (Regulation Z) as revised last year by the CFPB. These policies provide consistent protections for borrowers with FHA-insured mortgages, while ensuring borrowers have early access to information when making decisions about their FHA mortgages.

Bank Of America Settlement, Cont'

Continued from Page 1

The bank will also transfer \$20 million worth of distressed mortgages and abandoned properties to nonprofits and land banks, which help communities buy derelict homes, rehab them and put them back in the housing market. This includes \$20,000 per property to assist with revitalization costs.

In addition at least \$17 million will go to land banks, housing counseling agencies and legal service providers, to help with expansion of their vital services.

"This is the largest settlement

with a single institution in US history – surpassing the record \$13 billion deal with JPMorgan Chase entered into last November. And it is another major victory in the fight to hold accountable the major banks that caused the mortgage crisis and nearly brought down the US economy. This settlement sends a strong message that banks that prey on customers and investors will be held accountable. I will continue to investigate financial institutions that bend the rules for their own benefit, and pursue equal justice for all NY families," noted Schneiderman.

CDFI Grants

Awarded

The Department of the Treasury released the 2014 Community Development Financial Institution awards on August 27th. A total of 152 organizations in 42 states shared a pool of over 160 million dollars. Of the 14 awards issued to New York organizations, most of the funding went to organizations based in New York City and Long Island. The upstate New York awardees are:

- Alternatives Federal Credit Union, Ithaca, \$944,000
- Home Headquarters, Syracuse, \$2,000,000
- Ithaca NHS, Ithaca, \$2,000,000
- and, Leviticus 25:23 Alternative Fund, Elmsford, \$1,500,000

September 30th Deadline For Vouchers

In a recently issued update to the Request For Proposals for the State Low Income Housing Tax Credit program, it is noted that September 30th is the submission deadline for Project Based Rental Assistance Vouchers as part of projects that are to be funded by the Homes For Working Families or SLIHC programs. The deadline for application submission for those programs is December 1st.

To review the updated RFP, visit www.nyshcr.org/Funding/HWFSLIHC/2014-HWF-SLIHC-Full-Notice-RFP.pdf.

Please attend the Rural Advocates Fundraiser, September 15th, 5-8 PM, Water St. Cafe, 159 Water Street, Oswego, NY. \$50 at the door.

Unified Funding NOFA Issued

New York State Homes and Community Renewal issued the 2014 Unified Funding NOFA on August 19th. The NOFA covers funding for capital projects to be financed under the Low-Income Housing Trust Fund Program, the New York State HOME Program, the Rural Area Revitalization Projects Program, the Urban Initiatives Program, the Community Investment Fund, the Community Development Block Grant Disaster Recovery Program, the Medicaid Redesign Team Housing Capital Program and the Mitchell-Lama Program.

This year's funding round will have two application deadlines. The first deadline will be for Early Award Projects, which meet criteria which will be set forth in the RFP. The second deadline will be for all other Capital Applications. Applications for Early Award Projects must be completed and submitted by 5:00 PM on Tuesday, October 7, 2014. All other Unified Funding 2014 Capital Applications must be completed and submitted by 5:00 PM on Thursday, December 4, 2014.

Approximately \$40 million in HTF funds, \$500,000 in RARP funds, \$50,000 in UI funds, and \$6.7 million in CIF funds are expected to be available, subject to the availability of appropriations. CIF, UI and RARP funds may only be requested in combination with one or more of the following Unified Funding Programs (HTF, NYS HOME, Low-Income Housing Credit Program (LIHC), and State Low-Income Housing Tax Credit (SLIHC)). Approximately \$7.0 million in New York State HOME Program funds is expected to be available, subject to

the availability of appropriations. A minimum of 15 percent of available NYS HOME funds is required to be reserved for projects developed, owned, or sponsored by CHDOs.

Approximately \$50 million in Community Development Block Grant Disaster Recovery Program funds, up to \$25 million in Medicaid Redesign Team Housing Capital Program funds, and up to \$32 million in Mitchell-Lama Program funds are expected to be available, subject to the availability of appropriations. Project based Section 8 Voucher assistance may be available for Capital Applications that request funding pursuant to this NOFA. Such applications will be considered within the overall review of project funding requests. (See related article on Page 3.)

Application Workshops will be conducted at the following times and locations:

NEW YORK CITY:

Friday, September 5th at 10:30 AM
25 Beaver St., Room 510

ALBANY:

Tuesday, September 9th at 10 AM
Hampton Plaza Ballroom, 38-40
State Street

ROCHESTER:

Wednesday, September 10th at 10 AM,
Rochester City Council Chambers,
City Hall – Room 302, 30
Church St.

Applications for capital project funding will be submitted using the CDOL Application System, located on HCR's website at: www.nyshcr.org/Apps/CDOnline/. Printable instructions will be available on the HCR Website at: www.nyshcr.org/Funding/UnifiedFundingMaterials/2014/.

Career Opportunities

Development Assistant

The Anna & Philip Kimmel Foundation is looking for a recent graduate of an architectural or community planning program or similar to assist in developing new projects. The Foundation has successfully developed 72 units of not-for-profit housing on Long Island in Westbury/New Cassel. Please visit our website at www.kimmelhousing.org.

The successful candidate will work four days per week at a salary to be agreed upon. Housing arrangements can be discussed. Resume, references and other supporting documents should be sent to Howard Kimmel, Anna & Philip Kimmel Foundation, 498 Union Avenue, Westbury, NY 11590 EOE

Have a job opening you'd like to publicize?

The New York State Rural Housing Coalition is happy to be able to provide help wanted advertising opportunities for our members and non-profit community development agencies. Ad copy must be provided in Microsoft Word format, and may be transmitted by email to rhc@ruralhousing.org. Ad copy must comply with federal and state equal opportunity requirements to be published, and must be received by the 25th of the month to ensure placement in the succeeding issue of *Rural Delivery*. Ads provided in this fashion will also be posted in the Career Opportunities page of the Coalition's website, unless a request is specifically made not to place the advertisement on-line.

Rooms for the conference hotels in Oswego for September 15-17 are selling out fast. In fact, one of the hotels is already completely booked. If you run into a problem finding lodging, please contact the Coalition office at (518) 458-8696 for a list of alternative hotel options.

Rural Definition Changes Delayed

USDA recently announced that it will postpone implementation of any changes to eligibility for Rural Housing programs- based on the “Rural In Character” criteria- until October 1, 2015. “Rural in Character” is one of four criteria established in Section 520 of the Housing Act to determine eligibility for Rural Housing programs.

Other criteria include population

size, the availability of mortgage credit, and location in a metro county for certain communities. USDA has also published a helpful guide to answer some important questions that you may have on the impact of this decision and what it means for your community.

The guide also provides information on how the Department will make its “rural in character” deter-

minations, including providing a secondary review, initial notice to at-risk communities, a 90-day comment period, 30-days final notice of any changes in eligibility, and issuing an Administrative Notice to ensure consistent implementation. Visit <https://org2.salsalabs.com/o/5172/images/RHS%20rural%20in%20character%20suspension%20FAQs.pdf> to view the guide.

Visit our website at www.ruralhousing.org
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Illegitimi Non Carborundum